

Image not found or type unknown

Crypto Hedge Fund Headquartered in BVI Ordered by Court to Liquidate

Business / **Published On June 30, 2022 04:36 PM /**

Staff Consortium **June 30, 2022**

Image not found or type unknown



Three Arrows Capital Limited, recently relocated from Singapore to the British Virgin Islands, was recently ordered by the Commercial Division of the Eastern Caribbean Supreme Court to liquidate, after creditors sued the cryptocurrency hedge fund for failure to repay its debts.

A firm called Teneo has reportedly been appointed by the court to handle the insolvency. The firm's total outstanding debt is estimated to be in the region of \$1.5 billion.

Founded nearly a decade ago by two Wall Street traders who were former schoolmates, 3AC operated as a regulated fund manager in Singapore until last year, when it shifted its home to the British Virgin Islands, reportedly part of a plan to relocate its operations to Dubai.

The hedge fund suffered major losses in recent weeks due to a decline in the value of cryptocurrencies, sparked by U.S. Federal Reserve interest rate hikes and concerns over individual crypto coins and firms.

Following the liquidation order, it is anticipated that creditors will be able to file their claims online, but the process for them to reclaim their assets is likely to be lengthy.

Earlier this month, 3AC co-founder Kyle Davies told the Wall Street Journal the fund had roughly \$3 billion in assets under management in April, just before crypto markets cratered.

According to the Wall Street Journal, Nichol Yeo, a partner at law firm Solitaire LLP, said Three Arrows Capital is considering its options and seeking legal advice in the BVI.

© Viconsortium 2024